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September 14, 2004

BY OVERNIGHT COURIER

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Blackstone Gas Company, D.T.E. 04-79

Dear Ms. Cottrell:

Enclosed for filing please find an original and nine (9) copies of Bay State Gas Company's Motion to Intervene as a full party in the above referenced proceeding.

Thank you for your assistance with this matter.

Very truly yours,



Patricia M. French

cc: Michael Killion, Esq., Hearing Officer, DTE
Andrew J. Newman, Esq., for Blackstone Gas Company
Joseph Rogers, Assistant Attorney General

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

Blackstone Gas Company
Base Rate Settlement Proposal

)

D.T.E. 04-79

**BAY STATE GAS COMPANY'S
MOTION TO INTERVENE**

Pursuant to 220 C.M.R. § 1.03, Bay State Gas Company ("Bay State") hereby moves the Department of Telecommunications and Energy ("Department") to grant it leave to intervene as a full party in this proceeding. In support of its motion to intervene and as good cause to permit its intervention, Bay State would state as follows:

1. Bay State is a jurisdictional gas company as defined in G.L. c. 164, §1
2. Bay State's principal office is 300 Friberg Parkway, Westborough, Massachusetts 01581.
3. On August 17, 2004, Blackstone Gas Company ("Blackstone") filed with the Department a petition requesting approval of a Settlement reached with the Attorney General of the Commonwealth, that provides for an annual increase in base revenues.
4. In the Settlement, Blackstone and the Attorney General appear to have agreed upon a five-year PBR Plan ("PBR") with an earning sharing mechanism that will be applied each year after the effective date of the initial base rate increase. The first adjustment is effective on November 1, 2005. The elements of the PBR may differ from the Department's most recently approved plan in length, productivity offset and level of consumer dividend.
5. The Department may, in its discretion, allow any person to intervene as a party if that person is "substantially and specifically affected" by the proceeding. G.L. c. 30A, § 11 and 220 C.M.R. § 1.03.
6. Bay State is substantially and specifically affected because

- a Department precedent requires each jurisdictional company to present a PBR to the Department with any base rate revenue increase or justify why such a plan is not proposed;
- b the outcome of this proceeding is likely to directly impact any future PBR that Bay State may present to Department; and
- c the elements of PBR the Department may or may not endorse for its jurisdictional companies and apply to Bay State in the future may be impacted by the Department's findings and analysis in this proceeding.

7 No other party can adequately protect Bay State's interest

WHEREFORE, for all the reasons set forth, Bay State Gas Company respectfully requests that the Department of Telecommunications and Energy grant its motion for leave to intervene as a full party and take any such further action as necessary and appropriate

Respectfully submitted,

BAY STATE GAS COMPANY

By its attorney,



Patricia M. French
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Dated: September 14, 2004